

DOCKET NO.: 2010-322-T

DEPOSITION

OF

At Charlotte, North Carolina

March 9, 2011

A P P E A R A N C E S

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In Attendance:

Ms. Dawn Hipp (By telephone)

Mr. Justin Walsh (By telephone)

Ms. Patricia Hofbauer (By telephone)

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I N D E X

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E X H I B I T S

(No exhibits were marked)

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1 This is the deposition of **Lois Johnson**, taken in
2 accordance with the South Carolina Rules of Civil
3 Procedure in connection with the above case.

4 Pursuant to Order of the Public Service Commission
5 of South Carolina, this deposition is being taken at
6 the offices of Automated Data Processing, 201 Regency
7 Executive Park Drive, Charlotte, North Carolina,
8 beginning at 2:19 p.m. on March 9, 2011, before Lauren
9 E. Noble, Notary Public.

10 * * * * *

11 MR. POPOWSKI: This deposition is in Docket Number
12 2010-322-T, Application of New World Van Lines,
13 Incorporated for a Class E Certificate, before the
14 South Carolina Public Service Commission. And this
15 deposition is being taken subject to the Order of the
16 Commission allowing the deposition, the directive of
17 the Commission allowing the deposition.

18 Okay, we will begin.

19
20 **Lois Johnson, having first been duly sworn,**
21 **testified as follows:**

22
23 EXAMINATION BY MR. POPOWSKI

24 Q. Ms. Johnson, would you give me your full name.

25 A. Lois June Johnson.

1 MR. POPOWSKI: Can everybody hear
2 her? Hello?

3 MS. REIBOLD: Yes.

4 MR. POPOWSKI: Shealy, did you hear
5 that well?

6 MS. REIBOLD: I'm good.

7 MR. POPOWSKI: Justin, are you
8 okay?

9 MR. WALSH: We're good here.

10 MR. POPOWSKI: Okay.

11 Q. Ms. Johnson, by whom are you employed?

12 A. ADP, Automatic Data Processing.

13 Q. How old are you?

14 A. 46.

15 Q. Let's just quickly, before we get back to ADP --
16 Automated Data, I'll call it -- would you just
17 give me a sketch of your education after high
18 school?

19 A. Sure. I attended Katharine Gibbs, which is a two-
20 year liberal arts school, and then attended
21 Caldwell College in New Jersey working towards a
22 bachelors degree, and then pursued obtaining a
23 brokerage, real estate brokerage license and sales
24 license and advanced designations in new home
25 sales and construction.

1 Q. Prior to working for Automated Data, would you
2 just list the companies that you worked for?

3 A. I, primarily since 1984, worked for American
4 Cyanamid until 1988 in various capacities,
5 primarily with their surgical division and
6 primarily worked with the sales force doing
7 hospital inventory management reports.

8 Q. Anybody else?

9 A. And then after a two-year leave of absence, I went
10 into real estate with Coldwell Banker & Weichert
11 and managed an office and primarily focused on
12 real estate sales and new construction until
13 joining ADP in 1999.

14 Q. When you joined ADP in 1999, at what position did
15 you join them?

16 A. I came in as a senior relocation counselor and was
17 with them for a short period of time and then was
18 hired on as their financial operations analyst,
19 was then promoted to a financial operations
20 manager, and then relocated to Charlotte, North
21 Carolina to head up their Real Estate Services
22 Program, which was, at the time, being piloted in
23 the tri-state area in New York, New Jersey and
24 Connecticut, and then when I went to Charlotte,
25 took it on a national basis and have been doing so

1 ever since.

2 Q. Before you came to Charlotte for ADP, where in New
3 Jersey were you located?

4 A. Roseland, our headquarters in New Jersey.

5 Q. All right. Now tell us about ADP.

6 A. ADP primarily is known for its payroll and
7 benefits offering. They service four different
8 levels of clients, small-business services, which
9 is basically clients up to about 10 employees;
10 then they have major accounts which services up to
11 about 900; and then national accounts, 1,000-plus.
12 And they provide, as I mentioned, payroll and
13 benefit services, HR outsourcing, and the real
14 estate services program is a value-added service
15 that they offer, not only to their employees, but
16 also to specific clients of ADP.

17 Q. Do you know how long ADP has been in existence,
18 how many years?

19 A. About 60.

20 Q. About 60 years, okay. And about how many current
21 employees are there worldwide? Do you know?

22 A. I'm going to estimate that to be about 40,000.

23 Q. Okay. Now, would you describe ADP's existence in
24 South Carolina?

25 A. We have several offices with a total population of

1 employees of 424, primarily focused in Florence,
2 South Carolina.

3 Q. Do you have the numbers on how many people are in
4 Florence and the other cities?

5 A. I do. We have an office in Greenville that has 20
6 associates; Columbia has six; Florence, 336;
7 Charleston, 7; and then 55 additional associates
8 that are home based in home offices.

9 Q. All right. Now, let's talk about, we're here
10 about Household Goods Moving Services, and would
11 you tell us your role with Household Goods Moving
12 vis-a-vis employees and associates of ADP?

13 A. Sure. ADP, as I mentioned, started to pilot a
14 program in approximately 1999 that offered real
15 estate assistance to employees of ADP, basically
16 those who were making personal real estate
17 purchases, sales, in need of moving services or
18 mortgage services. And we piloted the program for
19 approximately three years and then took it, as I
20 mentioned, to a national scale, opened it up to
21 all U.S.-based employees as well as approximately
22 210,000 current work-site employees of one of our
23 business groups. And the primary focus of this
24 program was to offer a full-service as well as
25 self-service real estate offering primarily

1 focused on home sale, home find, mortgage, and
2 moving services.

3 Q. All right. Well, give me some more detail, if you
4 will, about what you do in terms of household
5 goods moving assistance.

6 A. Sure. What we typically provide, as I mentioned,
7 self-serve and full service. The full service,
8 they would have a counselor that is assigned to
9 work with them throughout their entire move
10 process. So when they decide that they are going
11 to be moving, whether it be locally, it can be
12 down the street, or it can be across the country,
13 they contact their ADP real estate services
14 counselor for recommendations for movers within
15 our network. And those preferred network movers
16 are pre-screened. We have a long-standing
17 relationship typically with them on both intra and
18 interstate moves, and we adhere to a very high
19 level of standards that nears the ADP, you know,
20 benefit and payroll offering. And we very much --
21 it's unique in the industry to the degree that we
22 pretty much are with them from the point that we
23 refer them to make recommendations for referrals
24 for moving companies. We do receive copies of the
25 estimates. We review them with our associates or

1 clients making sure that, you know, if there's
2 anything there that they might have questions on,
3 whether it regard packing, moving electronics,
4 whatever it may be, and then assist them in
5 selecting the best mover for that move, help them
6 book the move, follow up with them on day of
7 delivery, as well as assist them all the way
8 through the claims process should there be a claim
9 filed.

10 Q. Should New World Van Lines be granted the
11 authority by the Commission, will they become a
12 preferred network mover of ADP --

13 A. Yes.

14 Q. -- in South Carolina?

15 A. In South Carolina, yes, they would.

16 Q. And are there any other preferred network movers
17 currently for ADP?

18 A. We currently work with Wheaton Van Lines in our
19 preferred network for the COD business. However,
20 they have not -- they do not have a recommendation
21 for us, a local agent in the South Carolina areas
22 that we have requested, that they feel that, you
23 know, they can recommend for estimates for these
24 type of moves.

25 Q. This is a remarkable service that you provide for

1 your employees. And why do you do it?

2 A. Primarily ADP, a number of years ago, when there
3 was an award and basically people started looking
4 to try and stretch their income dollars further,
5 they decided that they would look to see what
6 other value-added services could be offered to an
7 employee of a major corporation that could really
8 help them stretch their dollars. So, things like
9 flex spending and access to life care services,
10 medical, dental, vision were pretty much sort of
11 the staples in the industry if you worked for a
12 Fortune 100 to 500 company, so ADP decided that
13 they wanted to go above and beyond and offer the
14 real estate services offering. And basically the
15 reason that they did that was because they were
16 looking to try and enhance people's ability when
17 they were making one of the largest purchases of
18 of a lifetime that they would have, really, an
19 advocate on their side, you know, a professional
20 that could assist them in evaluating real estate,
21 helping them, you know, be sure that the property
22 did not have red flag checklists, providing them
23 with references to moving and mortgage services,
24 insurance services, legal services, all of the
25 critical aspects of a move so that they could feel

1 very comfortable in making and moving forward with
2 the decisions to purchase and inevitably close on
3 the real estate.

4 Q. Now, there are COD shipments in the moving
5 industry and there are corporate relocations.

6 A. Correct.

7 Q. And in your preferred moving program, with all of
8 this assistance, the customer will be paying the
9 bill; is that correct?

10 A. That is correct. They are all COD in the real
11 estate services offering, paid by the consumer.

12 Q. But you provide this service, and you make the
13 recommendations; is that correct?

14 A. Yes, we do.

15 Q. Has this been a popular program with your company?

16 A. It's been a very popular program. It actually won
17 us the award a number of years now for the company
18 that cares, again, for going above and beyond the
19 traditional benefit offering.

20 Q. And you understand that New World Van Lines, in
21 its application, it has proposed a tariff for
22 charges for intrastate moves in South Carolina?

23 A. Correct.

24 Q. All right. And that that tariff will be filed
25 with the Commission, hopefully subject to the

1 approval of the Commission of their authority; is
2 that correct? Do you understand that?

3 A. I do.

4 Q. All right. And then New World must adhere to that
5 tariff rate?

6 A. Correct.

7 Q. All right.

8 MR. POPOWSKI: That is all the
9 questions I have, Ms. Reibold.

10 MS. REIBOLD: Okay.

11

12 EXAMINATION BY MS. REIBOLD

13 Q. Ms. Johnson, I have just a few questions for you,
14 if you'll bear with me.

15 A. Sure.

16 Q. First, I got your name, but I didn't get your
17 business address. Could you recite that for me,
18 please?

19 A. Sure. It's 201 Regency Executive Park Drive, and
20 that is in Charlotte, North Carolina 28217.

21 Q. Just for your Charlotte office, could you give me
22 an estimate on how many relocations you assist
23 with in a month?

24 A. Well, traditionally, we don't really do relocation
25 in my group; we do real estate services. We have

1 a separate relocation division. But for real
2 estate services we average, probably on an average
3 month, approximately 30 to 40 new initiations for
4 full-service real estate assistance on a monthly
5 basis.

6 Q. Are those mainly people moving within South
7 Carolina or to or from?

8 A. It's a national-based program, so it can be
9 anywhere in the country.

10 Q. Okay. So, when you gave me the 30 to 40 new
11 initiations a month, was that a nationwide number
12 or just your office?

13 A. That's a nationwide number. We average -- we did,
14 like last week we did a promotional e-mail blast
15 to our entire 30,000 ADP associates nationwide,
16 and we received approximately 75 initiations
17 within a 24-hour period from that particular
18 marketing flier. Again, nationwide. So this
19 month, we'll probably be sitting at about 125
20 initiations.

21 Q. Okay. For your office, what would the monthly
22 number be?

23 A. For North Carolina, we would probably, of the 125,
24 we probably had four or five.

25 Q. I think you said that most of the employees were

1 located in Florence, talking about South Carolina.

2 A. Yes.

3 Q. Is that primarily -- if someone relocates within
4 the State of South Carolina, is that primarily
5 where they're coming and going from is Florence?

6 A. Primarily, yes. As I mentioned, there are other
7 smaller offices, and then there's 55 associates or
8 employees of ADP that actually work out of a home
9 office. We have a strong Home Shore Program that
10 allows people to be able to work from home
11 anywhere in the nation that they so choose. So we
12 typically get a lot of people looking to focus,
13 you know, moving back closer to family and perhaps
14 in an area that ADP doesn't even have an office.

15 Q. And this is just to clarify. I believe you said
16 you maintain a referral list of sorts for movers?

17 A. Yes.

18 Q. Okay. And the only person on that right now is
19 Wheaton?

20 A. Wheaton Van Lines for the South Carolina region,
21 yes. We are working with another company, one
22 other company that is actually out of Georgia who
23 is going to be able to do regional and national
24 moves and cover parts of South Carolina for us.
25 We typically like to be able to provide, when we

1 do make recommendations to employees or
2 associates, we typically like to give them a
3 minimum of two, or three ideally, preferred
4 vendors, whether it be mortgage, moving,
5 attorneys, or agents, real estate agents to choose
6 from.

7 Q. Have you had any problems finding a suitable
8 moving company in South Carolina?

9 A. Traditionally the way with which I would go about
10 looking to see who might be able to service the
11 unique relationship and type of program and
12 service that we offer, there's a couple of
13 different ways. One is that I traditionally would
14 contact some of our network real estate agencies
15 that we work with that we've had long-standing
16 relationships with. Because, again, they're a
17 local provider in a, you know, in a localized
18 market that typically can provide us with some
19 resources or reference for moving vendors, local
20 attorneys, home inspection companies, that kind of
21 thing. Another resource would be the American
22 Moving and Storage Association, Better Business
23 Bureau, and then once we identify those, we would
24 look to, you know, possibly run a D&B report on
25 them, a Dun & Bradstreet report. It's an internal

1 financial scoring tool, again, in evaluating once
2 we've identified a candidate to become a preferred
3 vendor. So, we do a thorough screening. Again,
4 because primarily we stand behind, strongly stand
5 behind the recommendation and referral when we
6 make one, and they know that ADP is behind them
7 when they're booking that move, so that if in fact
8 there's any damage or any issues, whatever it may
9 be, they know that they can contact either myself
10 or one of my counselors on my staff to work with
11 the moving company to get the claim resolved or,
12 you know, the issue, whatever the issues may be,
13 resolved.

14 Q. Based on your knowledge, you know, of all these
15 moves that are going on in South Carolina and in
16 and out of the state, do you think the market
17 could support another household goods mover?

18 A. Yes, I do.

19 Q. Are you familiar with New World's rates that they
20 expect to charge?

21 A. I am not familiar with the rate for South
22 Carolina. We actually have not yet discussed
23 that. But I am, you know, aware that they file
24 rates on an annual basis, and we would expect to
25 pay them.

1 Q. Have you ever heard any complaints about New
2 World?

3 A. We have not. We have worked with New World Van
4 Lines for approximately four years, I believe, on
5 the relocation side. I have personally
6 experienced working with them through some of my
7 relocation employees where I was relocating them
8 from one state to another. And we do have a
9 performance-based pricing model on our relocation.
10 So, obviously, based on the survey results through
11 an independent company, the rate that is charged
12 to ADP for relocation moves with New World is
13 dependent on the service that -- the service score
14 that the employee provides back in that survey.
15 And I would say probably 90 to 95 percent are
16 above average or excellent.

17 Q. I apologize for the pauses. I'm having to write.

18 A. Not a problem.

19 Q. Okay. I believe that's all the questions I have
20 for you. Thank you, Ms. Johnson.

21 A. You're very welcome.

22 MR. POPOWSKI: I've got a followup.

23

24 FURTHER EXAMINATION BY MR. POPOWSKI

25 Q. You mentioned real estate, preferred real estate

1 providers, as well.

2 A. Yes, uh-huh (yes).

3 Q. Let's just take the Florence area where the bulk
4 of your employees are. Do you know who they are
5 there?

6 A. Yes. We typically deal with Burt Jordan Realtors.
7 We work with ERA Leatherman, and Grant Floyd &
8 Grantham, Inc.

9 Q. Okay.

10 MR. POPOWSKI: Shealy, can you give
11 me one second? And, Justin, can I
12 call you back at your number? I'd
13 like to check with my client to
14 make sure I've covered the
15 territory. Can we hold for a
16 second? I'll go out in another
17 room and will very quickly call him
18 up.

19 MS. REIBOLD: No problem.

20 **(Whereupon, off the record from**
21 **2:39 p.m. to 2:41 p.m.)**

22 MR. POPOWSKI: Okay, I'm back.
23 We're back. Shealy?

24 MS. REIBOLD: Yes?

25 MR. POPOWSKI: All right. The good

1 news, I have no further questions.

2 Okay, we're done then; right,

3 Shealy? Is that correct?

4 MS. REIBOLD: As far as I know.

5 MR. POPOWSKI: Okay.

6 MS. REIBOLD: I have nothing
7 further.

8 MR. POPOWSKI: Okay.

9 * * * * *

10 (Whereupon, the deposition was
11 concluded at 2:41 p.m.; signature
12 waived.)

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STATE OF NORTH CAROLINA)
) C E R T I F I C A T E
COUNTY OF CABARRUS)

I, Lauren E. Noble, do hereby certify that **Lois Johnson** was duly sworn by me prior to the taking of the foregoing deposition; and that said deposition was taken and transcribed by me; and the foregoing 19 pages constitute a true and accurate transcript of the testimony of the said witness.

I do further certify that the parties were present as stated in the caption.

I do further certify that I am not of counsel for or in the employment of either of the parties to this action, nor am I interested in the results of said action.

This, the 16th day of March, 2011.

Lauren E. Noble, CVR
Notary Public #19950320008